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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 03 VILNIUS 000142

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E.O. 12958: DECL: 02/09/2017
TAGS: [PREL](#) [LH](#) [RU](#) [EUN](#)
SUBJECT: RUSSIA: LITHUANIA'S FAVORITE ANXIETY

REF: A. MOSCOW 406 B. 06 VILNIUS 1136 C. 05 VILNIUS
104 D. 06 VILNIUS 526 E. 06 VILNIUS 526

Classified By: Pol/Econ Chief Rebecca Dunham for reasons 1.4 (b) and (d)
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¶1. (C) Summary. Lithuania's relationship with Russia continues to affect Lithuania's foreign policy and much of its domestic politics. Fifteen years after independence, Lithuania is still a teenager, struggling -- sometimes rashly -- to demonstrate its independence. Nevertheless, most Lithuanians recognize the need to work positively with their former occupier, on whom they remain dependent for energy supplies and much else. End Summary.

Russian threat lurks in the Lithuanian mind

¶2. (C) Most Lithuanians still feel threatened by Russia, even if they are "Russia's favorite Baltic neighbor" (ref A). Outspoken Russia critic and former President Vytautas Landsbergis speaks for many when he traces crime, corruption, populism, and all bad things back to Russia. Lithuanians are still bitter, he told us, about Russia's refusal to acknowledge that Lithuania did not join the Soviet Union freely. The head of the MFA's Russia Department agreed that this historical question remains the greatest bilateral issue between the two countries. "The fact that the old KGB came into power and refused to recognize us as a successor state (of interwar Lithuania)," he said, is a "danger to our very essence" that is "not going to change with this Kremlin."

¶3. (SBU) The public broadly agrees. On January 16, Parliament overwhelmingly, albeit unrealistically, passed a resolution urging Russia to start consultations with Lithuania about compensation for the Soviet occupation, a reiteration of a 2000 law requiring the GOL to seek redress for LTL 80 billion (approximately USD 30.7 billion) in damages during Soviet rule. A November 2006 poll found that 46 percent of Lithuanians had an unfavorable or very unfavorable view of Russia, and only 5 percent a very favorable view. Thirty-nine percent of Lithuanians named Russia as the greatest threat to Lithuania.

From Russia with love

¶4. (C) Perceived Russian affronts aggravate Lithuania's concerns. The Minister of Defense repeatedly raises the September 2005 crash of a Russian Su-27 fighter aircraft in Lithuania as primary justification for a renewed NATO Baltic Air Policing Mission. While acknowledging that there is a public relations element to keeping the air-policing mission in place, the Defense Ministry rejects the notion that there is not also a threat-based rationale. "Without air policing," an undersecretary told us, "Russia will just send its fighter jets across our territory and all we'll be able to do is send a diplomatic note."

15. (C) The closing of the Druzhba ("friendship") oil pipeline in July 2006, ostensibly for repairs, is cited as exhibit number one that Russia uses energy supplies to influence Lithuania's domestic affairs. Russian platitudes notwithstanding, no Lithuanian interlocutor has expressed any doubt that that the cutoff was an attempt to thwart the sale of Lithuania's Maziekių Nafta oil refinery to the Polish Company PKN Orlen. Head of the MFA's Economic Security Department even read to us from an intelligence document that had predicted a retaliatory cut-off several weeks before the pipeline "accident". FM Vaitiekūnas described the situation for the Ambassador this way: "Under the USSR, we had the barrel of a gun pointed toward us. Now, we have the barrel of a pipeline pointed toward us."

Domestic meddling

16. (C) The oft-made claim that Russian special services meddle in Lithuania's domestic political affairs finds a broad audience here. Alexandras Matonis, a reputable local journalist, complained to us of "an information war waged every day, every hour, where Russian services try to discredit the west and influence our domestic politics, pay to place articles in papers, and fund our politicians." Ex-president Landsbergis made the same argument, saying that Russian "specialists" backed the three "populist attacks" on Lithuania by financing and advising former speaker of the parliament Paulauskas (son of a KGB Colonel), former President Paksas (impeached amid suspicions of connections to Russian mafia) and former Economy Minister and Labor Party Leader Uspaskich (old Gazprom man now on the lam in Russia - Ref E).

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17. (C) Theories of Russian interference in domestic politics are hard to prove but plausible, given Russia's large intelligence presence in Lithuania (Ref C), the flexible ethics of Lithuania's political leaders, and the ease of planting stories in Lithuania's undisciplined media. What is certain is that allegations of Russian backing continue to be the blunt weapon of choice among political rivals (along with outing rivals as former KGB officers or reservists--see refs B-D).

No Stockholm Syndrome here

18. (C) If Russia is backing political parties, it's not clear that they are getting much for it. To succeed, Lithuania's populist parties must appeal to a much broader segment of the population than the narrow base of pro-Russian constituents. Lithuania's Russian minority is small: around 6 percent of the population. Russia is Lithuania's number one trade partner, but only 13 percent of Lithuanians name Russia as an important political and economic partner. MPs reject the idea that populist voters are nostalgic for the Soviet-era. "Of course there's nostalgia," another Conservative MP, Rasa Juknevičienė, told us. "Many people are old now and they are nostalgic for when they were young, but not for Russian rule."

GOL strives for better relations

19. (C) Safely in the EU and NATO, with no serious pro-Russian political contingent within its borders, the GOL can afford to pursue more pragmatic and constructive relations with Russia even if politicians and the public hold some anti-Russian views. Still dependent on Russia for oil and gas supplies and for Lithuania's most important trade relationship, the GOL knows this is the path it must at least try to take. In 2006, FM Vaitiekūnas left for Russia to participate in the bi-annual GOL-GOR intergovernmental Cooperative Commission (chaired on Russia's side by Transport

Minister Levitin) with a list of 22 ways that Lithuania and Russia could improve their relationship. The MFA also invited Russian FM Lavrov to a border demarcation ceremony in Lithuania this spring, although it still isn't clear if Lavrov will accept.

¶10. (C) But Russia-Lithuania relations have a "glass ceiling," MFA's Russia Department Head Arunas Vinciunas told us. "On those things we absolutely need Russian cooperation for, like border demarcation, we have it," he explained. Russia and Lithuania have stable agreements on the easy, necessary things: border crossing, cargo insurance, rail tariffs and transit fees to Kaliningrad, and so on. Progress in new areas is proving elusive, even outside the troublesome energy sector. Of the minister's 22 proposals, Russia was cool even to what Vinciunas called "one of the easy things," an agreement to allow yachting in the Curonian Lagoon between Kaliningrad and Lithuania. A 2005 agreement called "2K," which would equalize access to the ports of Klaipeda and Kaliningrad, has stalled.

¶11. (C) Engagement on the big issues is even harder. According to Vinciunas, Russia refuses substantive bilateral talk on energy security, insisting that environmental concerns alone hold up repair of the Druzhba pipeline. Vinciunas called it a "good sign" that Russian Deputy FM Titov was willing to meet MFA Undersecretary Talat-Kelpsa in early 2007. "We don't have the highest level dialogue, but we have political contacts," he said. "I believe that Lithuania-Russia relations are as good as they can get," he added, not positively.

EU tempers Lithuania

¶12. (C) Where bilateral Russia-Lithuania relations fail to deliver progress or even dialogue, Lithuania looks to shape EU-Russia policy in its favor. It is in EU structures that Lithuania's policy brew of confrontation and pragmatism often plays out.

¶13. (C) Most often, and despite its reputation, Lithuania has ultimately not blocked Russian interests in EU structures. Most importantly, Lithuania continues to support Russian interests with respect to the Kaliningrad region, including an exception to keep the current Kaliningrad transit regime in place once Lithuania joins the Schengen zone. Lithuania has been the most sympathetic country within the EU to Russia's desire for a regime that allows transit of Lithuania with documents other than a Schengen visa.

¶14. (C) Lithuania's reticence to block Russian interests may be changing, however. Political Director Zygimantis

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Pavilionis told Ambassador that Poland's obstruction of the EU-Russia Partnership and Cooperation Agreement (PCA) is the only thing that finally drew Western Europe's attention to Poland's concerns about Russia's ban on imports of Polish meat. Pavilionis said that Lithuania has learned a lesson from the Poles. Angry that the German Presidency has not paid attention to the cut-off of the Druzhba pipeline to Lithuania, Pavilionis told the Ambassador that Lithuania may rejoin Poland in blocking a mandate for the PCA.

¶15. (C) Lithuania annoys many of its European partners with its positions on EU-Russia relations, Russia Department Head Vinciunas told us. Talking about the contentious EU-Putin summit at Lahti, the Ambassador from (then-EU Council president) Finland agreed, saying Lithuania needs to talk about things besides Russia. Lithuania's Foreign Minister and President raise energy and neighborhood policy at nearly every European Council or GAERC, but seldom go to bat in European structures on any external issue that doesn't touch Russia. The GOL has a habit of hosting conferences on issues most sensitive to Russia (2006: democracy promotion, EU/NATO

expansion, and frozen conflicts; planned for 2007: energy security in Europe); and it rallies pro-western leaders from transforming democracies, but does little to encourage multilateral dialogue with (no-show) Russia or to garner support from Western Europe, which worries that fanfare around the revolutions in Georgia and Ukraine needlessly irritate Russia.

¶16. (C) At ease with leaders of transforming democracies, Lithuania struggles to earn credibility within the EU as a mediator between the EU and neighborhood countries. FM Vaitiekunas consulted broadly with EU allies (and us) before he flew to Tbilisi in the midst of the September-October Russian spy scandal to condemn Russia's "disproportionate response" to the Georgia's expulsion of four Russian diplomats. While there, he also urged Saakashvili to de-escalate tension so as not worry European allies and damage Georgia's chances at Intensified Dialogue with NATO. Two days later, he (unsuccessfully) pushed for language about "disproportionate response" or "Georgia's territorial integrity" in the GAERC conclusions. This hurt Lithuania's positions in the concurrent negotiations on the EU-Russia PCA, according to Gulbinas. "We are seen as troublemakers now," he observed.

¶17. (C) Lithuania has a sincere desire to promote democracy in Europe and elsewhere, but it doesn't miss many chances to blame Russia for the region's challenges. To be seen as a credible expert on neighborhood policy by the EU, Lithuania knows (and says) it must temper its shrill tone toward Russia; counsel moderation -- not confrontation -- to neighborhood allies like Saakashvili; and ultimately support freedom and democratic transformation beyond the frozen conflicts bordering Russia. But the GOL is often tempted to push its own historical experience of kicking out Russian troops and rapidly joining the EU and NATO on those states locked in struggles with Russia today. "Our states have similar historical experiences, and therefore we understand the strivings of the Georgian people," PM Kirkilas said in relatively distant Tbilisi. He could say the same elsewhere, too. Given Lithuanians' lingering fear, anger, and pride, they are perhaps happy to be accused of "trying to draw a new front line with Russia," as Russian Deputy Foreign Minister Grigory Karasin told a high-ranking Lithuanian MFA official after the May 2006 summit on Neighborhood Policy.

Looking forward

¶18. (C) Lithuania expects to be frustrated with what it sees as Russian bullying, and is not counting on productive relations. But the GOL will nevertheless continue to pursue its policy mix of confrontation and pragmatism with Russia because it, like the USG, recognizes that Russia cannot be ignored. Lithuania's administration accepts the need ultimately to play nice with Russia, but many of its politicians do not. We expect they will continue to antagonize Russia with resolutions calling for compensation for victims of the Soviet occupation and loudly condemning Russian interference in Eastern Europe.

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